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February 4, 2020

VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire Chief Clerk & Administrator Public Service Commission of South Carolina 101 Executive Center Drive, Suite 100 Columbia, South Carolina 29210

RE:

Exploration of a South Carolina Competitive Procurement Program for the Competitive Procurement of Energy and Capacity from Solar and Other Renewable Energy Facilities by an Electric Utility as Allowed by South Carolina Code Section 58-41-20(E)(2) (See Directive Issued on November 25, 2019)

Docket No. 2019-365-E

Dear Ms. Boyd:

On November 26, 2019, the Public Service Commission of South Carolina ("Commission") opened Docket No. 2019-365-E pursuant to Section 58-41-20(E)(2) of the South Carolina Energy Freedom Act ("Act 62" or the "Act"). The Act states:

"The commission is authorized to open a generic docket for the purposes of creating programs for the competitive procurement of energy and capacity from renewable energy facilities by an electrical utility within the utility's balancing authority area if the commission determines such action to be in the public interest."

On January 22, 2020, the Commission issued Order No. 2020-55 cancelling a workshop previously scheduled for January 27, 2020, to hear from interested stakeholders regarding how to create programs for competitive procurement and to learn more about the intricacies and interrelation of certain issues pertaining to competitive procurement. Instead of the workshop, the Commission requested that interested parties file suggestions for the next steps in this process.

The Office of Regulatory Staff ("ORS") suggests the electrical utilities and parties interested in the establishment of competitive procurement programs be required to submit comments to the Commission specifically addressing, but not limited to, the following topics:

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- 1. Would a competitive procurement program be in the public interest?
- 2. What are the costs and benefits of competitive procurement to South Carolina customers?
- 3. What minimum guidelines, objectives, and timelines should be considered for any electric utility's competitive procurement program?
- 4. Are Commission regulations needed to implement competitive procurement?
- 5. What, if any, role does the revision of the South Carolina Generator Interconnection Procedures ("SCGIP") have in the implementation of competitive procurement?
- 6. What, if any, waivers of rules, regulations and/or utility code of conduct provisions are necessary to implement competitive procurement?
- 7. How would competitive procurement be structured, administered and facilitated by the utility or other third-party independent entity?
- 8. How would costs for administering a competitive procurement program be recovered by the utility in accordance with Section 16 of Act 62?
- 9. Have competitive procurement programs in other jurisdictions been successful in lowering energy costs to customers?
- 10. What lessons and/or best practices have been learned from competitive procurement programs in other jurisdictions?

While this is certainly not an exhaustive list of topics, comments on the topics above would be of great importance as the Commission considers whether competitive procurement programs would be in the public interest

ORS recommends the Commission consider the timing of the review and revision of the SCGIP in Docket No. 2019-326-E and the impacts to implementation and design of a competitive procurement program. The success of the utility's competitive procurement programs may be reliant upon any revisions to improve the fairness and effectiveness of the SCGIP.

Very Truly Yours.

M Nelson

cc: All Parties of Record (via e-mail)

Joseph Melchers, Esquire (via e-mail)